

# 2001 Partnership Return of Income

# 565

For calendar year 2001 or fiscal year beginning month \_\_\_\_\_ day \_\_\_\_\_ year 2001, and ending month \_\_\_\_\_ day \_\_\_\_\_ year \_\_\_\_\_.

<b>A</b> Principal business activity name (same as federal)	Partnership name (place label within block or type or print) _____ Check box if name changed <input type="checkbox"/>	<b>D</b> FEIN _____	<b>E</b> Date business started _____
<b>B</b> Principal product or service (same as federal)	DBA _____ Number and street (or PO Box number if mail is not delivered to street address) _____ PMB no. _____	<b>F</b> Enter total assets at end of year. See instructions. \$ _____	
<b>C</b> Principal business code (same as federal)	City or town _____ State _____ ZIP Code _____	<b>I</b> Check applicable box (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Amended return	
<b>G</b> Check accounting method: <input type="checkbox"/> (1) Cash <input type="checkbox"/> (2) Accrual <input type="checkbox"/> (3) Other (attach explanation)		<b>H</b> Secretary of State file number _____	

**Caution:** Include **only** trade or business income and expenses on line 1a through line 21 below. See the instructions for more information.

<b>Income</b>	1 <b>a</b> Gross receipts or sales \$ _____ <b>b</b> Less returns and allowances \$ _____ <b>c</b> Balance ●	1c	
	2 Cost of goods sold (Schedule A, line 8) .....	2	
	3 GROSS PROFIT. Subtract line 2 from line 1c .....	3	
	4 Ordinary income (loss) from other partnerships and fiduciaries. Attach schedule .....	4	
	5 Net farm profit (loss). Attach federal Schedule F (Form 1040) .....	5	
	6 Net gain (loss) from Schedule D-1, Part II, line 18 .....	6	
	7 Other income (loss). Attach schedule .....	7	
	8 <b>Total income (loss).</b> Combine line 3 through line 7 .....	8	
<b>Deductions</b>	9 Salaries and wages (other than to partners) .....	9	
	10 Guaranteed payments to partners .....	10	
	11 Repairs .....	11	
	12 Bad debts .....	12	
	13 Rent .....	13	
	14 Taxes .....	14	
	15 Deductible interest expense not claimed elsewhere on return .....	15	
	16 <b>a</b> Depreciation and amortization. Attach form FTB 3885P \$ _____ <b>b</b> Less depreciation reported on Schedule A and elsewhere on return \$ _____ <b>c</b> Balance	16c	
	17 Depletion. Do not deduct oil and gas depletion .....	17	
	18 Retirement plans, etc. ....	18	
	19 Employee benefit programs .....	19	
	20 Other deductions. Attach schedule .....	20	
	21 <b>Total deductions.</b> Add line 9 through line 20 .....	21	
22 Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8 .....	22		
23 <b>Tax — \$800.00 (limited partnerships, LLPs, and REMICs only).</b> See instructions. ....	23		
<b>Pay- ments</b>	24 Nonresident withholding credit (\$800 maximum). See instructions .....	24	
	25 Amount paid with extension of time to file return .....	25	
	26 <b>Total payments.</b> Add line 24 and line 25 .....	26	
<b>Amount Due or Refund</b>	27 Tax due. If line 23 is more than line 26, subtract line 26 from line 23 .....	27	
	28 <b>Refund.</b> If line 26 is more than line 23, subtract line 23 from line 26 .....	28	
	29 Penalties and interest .....	29	
	30 <b>Total amount due.</b> Add line 27 and line 29. Make the check or money order payable to the Franchise Tax Board .....	30	
	Check here if the partnership does not need tax forms mailed next year .....	● <input type="checkbox"/>	

<b>Please Sign Here</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			Telephone ( )
	Signature of general partner _____			Date _____
<b>Paid Preparer's Use Only</b>	Preparer's signature ▶ _____	Date _____	Check if self-employed <input type="checkbox"/>	Preparer's SSN/PTIN _____
	Firm's name (or yours if self-employed) and address ▶ _____	Telephone ( )		FEIN _____

1	Inventory at beginning of year	1		
2	Purchases less cost of items withdrawn for personal use	2		
3	Cost of labor	3		
4	Additional IRC Section 263A costs. Attach schedule	4		
5	Other costs. Attach schedule	5		
6	<b>Total.</b> Add line 1 through line 5	6		
7	Inventory at end of year	7		
8	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on Side 1, line 2	8		

- 9 a** Check all methods used for valuing closing inventory:  
**(1)** ☐ Cost      **(2)** ☐ Lower of cost or market as described in Treas. Reg. Section 1.471-4      **(3)** ☐ Write down of "subnormal" goods as described in Treas. Reg. Section 1.471-2(c)      **(4)** ☐ Other. Specify method used and attach explanation \_\_\_\_\_
- b** Check this box if the LIFO inventory method was adopted this taxable year for any goods. If checked, attach federal Form 970. . . . . ☐
- c** Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to the partnership? . . . . . ☐ Yes ☐ No
- d** Was there any change (other than for IRC Section 263A purposes) in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation . . . . . ☐ Yes ☐ No

● 1 ☐ General partnership  
 ● 2 ☐ Limited partnership required to pay annual tax  
     (is doing business in California, is registered with SOS, or is organized in California)  
 ● 3 ☐ Limited partnership NOT required to pay annual tax  
     (is not doing business in California, is not registered with SOS, and is not organized in California)  
 ● 4 ☐ REMIC  
 ● 5 ☐ Limited liability partnership  
 ● 6 ☐ Other (See instructions)

**K** Enter the maximum number of partners in this partnership at any time during the year. (Be sure to attach a California Schedule K-1 (565) for each partner) .....

	Yes	No
<b>L</b> Is any partner of the partnership related by blood or marriage to any other partner? . . . . .		
<b>M</b> Is any partner of the partnership a trust for the benefit of any person related by blood or marriage to any other partner? . . . . .		
<b>N</b> Are any partners in this partnership also partnerships or LLCs? . . . . .		
<b>O</b> Does the partnership meet all the requirements shown in the instructions for Question O? . . . . .		
<b>P</b> Is this partnership a partner in another partnership or LLC? If "Yes," attach a statement with the name(s) and FEIN(s) of each entity . .		
<b>Q</b> Was there a distribution of property or transfer (for example by sale or death) of a partnership interest during the taxable year? If "Yes," see the federal instructions concerning an election to adjust the basis of the partnership's assets under IRC Section 754 . .		
<b>R</b> Is this partnership a publicly traded partnership as defined in IRC Section 469(k)(2)? . . . . .		
<b>S</b> Is this partnership under audit by the IRS or has it been audited in a prior year? . . . . .		
<b>T</b> Did this partnership or its subsidiary(ies) have a transfer or acquisition of more than 50% in control or ownership? (See instructions – Penalties May Apply) . . . . .		
<b>U</b> (1) Does the partnership have any foreign nonresident partners? . . . . .		
(2) Does the partnership have any nonresident partners? . . . . .		
(3) Were Form 592, Form 592-A, and Form 592-B filed for these partners? . . . . .		
<b>V</b> Is this an investment partnership? (See instructions) . . . . .		
<b>W</b> Is the partnership apportioning income to California using Schedule R? . . . . .		
<b>X</b> Is the partnership required to complete federal Form 8271? If "Yes," see instructions . . . . .		

**Schedule K Partners' Shares of Income, Deductions, Credits, Etc.**

(a) Distributive share items		(b) Amounts from federal K (1065)	(c) California adjustments	(d) Total amounts using California law
Income (Loss)	1 Ordinary income (loss) from trade or business activities (Side 1, line 22) ..	1 ●		
	2 Net income (loss) from rental real estate activities. Attach federal Form 8825	2		
	3 a Gross income from other rental activities .....	3a		
	b Less expenses. Attach schedule .....	3b		
	c Net income (loss) from other rental activities. Subtract line 3b from line 3a .....	3c		●
	4 Portfolio income (loss). See instructions:			
	a Interest income .....	4a		●
	b Dividend income .....	4b		●
	c Royalty income .....	4c		●
	d Net capital gain (loss) (Schedule D (565)) .....	4d		
e Other portfolio income (loss). Attach schedule .....	4e		●	
5 Guaranteed payments to partners .....	5		●	
6 Net gain (loss) under IRC Section 1231 (other than due to casualty or theft). Attach Schedule D-1 .....	6		●	
7 Other income (loss). Attach schedule .....	7			
Deductions	8 Charitable contributions. See instructions. Attach schedule .....	8		
	9 Expense deduction for recovery property (R&TC Sections 17267.2, 17267.6, 17268, and IRC Section 179). Attach schedule or worksheet for 179 deductions .....	9		
	10 Deductions related to portfolio income .....	10		
11 Other deductions. Attach schedule .....	11			
Investment Interest	12 a Interest expense on investment debts .....	12a		●
	b (1) Investment income included on lines 4a, 4b, 4c, and line 4e above .....	12b(1)		
	(2) Investment expenses included on line 10 above .....	12b(2)		
Credits	13 a (1) Withholding on partnership allocated to all partners .....	13a(1)		
	b Low-income housing credit .....	13b		
	c Credit(s) other than the credit shown on line 13b related to rental real estate activities. Attach schedule .....	13c		
	d Credit(s) related to other rental activities. See instructions. Attach schedule .....	13d		
	14 Other credits. See instructions. Attach schedule .....	14		●
Adjustments and Tax Preference Items	15 a Depreciation adjustment on property placed in service after 1986 ..	15a		
	b Adjusted gain or loss .....	15b		
	c Depletion (other than oil and gas) .....	15c		
	d (1) Gross income from oil, gas, and geothermal properties .....	15d(1)		
	(2) Deductions allocable to oil, gas, and geothermal properties ....	15d(2)		
	e Other adjustments and tax preference items. Attach schedule .....	15e		
Other	16 a Total expenditures to which IRC Section 59(e) election may apply. Attach schedule .....	16a		
	b Type of expenditures .....	16b		
	17 Tax-exempt interest income .....	17		
	18 Other tax-exempt income .....	18		●
	19 Nondeductible expenses .....	19		
	20 Distributions of money (cash and marketable securities) .....	20		
	21 Distribution of property other than money .....	21		
	22 Other items and amounts reported separately to partners. See instructions. Attach schedule .....	22		
Analy- sis	23 a Total distributive income/payment items. Combine line 1 through line 7 above. From the result, subtract the sum of line 8 through line 12a and line 16a ...	23		●
	b Analysis by type of partner:			

	(a)	(b) Individual		(c) Partnership	(d) Exempt Organization	(e) Nominee/Other
	Corporate	i. Active	ii. Passive			
(1) General partners						
(2) Limited partners						

**Schedule L Balance Sheets.** See the instructions for Question O before completing Schedules L, M-1, and M-2.

Assets	Beginning of income year		End of income year	
	(a)	(b)	(c)	(d)
1 Cash .....				
2 a Trade notes and accounts receivable .....				
b Less allowance for bad debts .....	( )		( )	
3 Inventories .....				●
4 U.S. government obligations .....				
5 Tax-exempt securities .....				
6 Other current assets. Attach schedule .....				●
7 Mortgage and real estate loans .....				
8 Other investments. Attach schedule .....				●
9 a Buildings and other depreciable assets .....				
b Less accumulated depreciation .....	( )		( )	●
10 a Depletable assets .....				
b Less accumulated depletion .....	( )		( )	
11 Land (net of any amortization) .....				●
12 a Intangible assets (amortizable only) .....				
b Less accumulated amortization .....	( )		( )	
13 Other assets. Attach schedule .....				●
14 Total assets .....				
<b>Liabilities and Capital</b>				
15 Accounts payable .....				●
16 Mortgages, notes, bonds payable in less than 1 year .....				●
17 Other current liabilities. Attach schedule .....				
18 All nonrecourse loans .....				●
19 Mortgages, notes, bonds payable in 1 year or more .....				●
20 Other liabilities. Attach schedule .....				●
21 Partners' capital accounts .....				●
22 Total liabilities and capital .....				

**Schedule M-1 Reconciliation of Income per Books With Income per Return.** Use total amount under California law.

1 Net income (loss) per books .....		6 Income recorded on books this year not included on Schedule K, line 1 through line 7. Itemize:	
2 Income included on Schedule K, line 1 through line 7, not recorded on books this year. Itemize .....	●	a Tax-exempt interest \$ .....	●
3 Guaranteed payments (other than health insurance) .....		7 Deductions included on Schedule K, line 1 through line 12a and line 16a, not charged against book income this year. Itemize:	
4 Expenses recorded on books this year not included on Schedule K, line 1 through line 12a and line 16a. Itemize:		a Depreciation \$ .....	●
a Depreciation \$ .....		8 Total of line 6 and line 7 .....	
b Travel and entertainment \$ .....		9 Income (loss) (Schedule K, line 23a). Subtract line 8 from line 5 .....	
c Limited partnership tax \$ .....	●		
5 Total of line 1 through line 4 .....			

**Schedule M-2 Analysis of Partners' Capital Accounts**

1 Balance at beginning of year .....		6 Distributions: a Cash .....	●
2 Capital contributed during year .....	●	b Property .....	●
3 Net income (loss) per books .....		7 Other decreases. Itemize .....	
4 Other increases. Itemize .....		.....	●
.....	●	8 Total of line 6 and line 7 .....	
5 Total of line 1 through line 4 .....		9 Balance at end of year. Subtract line 8 from line 5 .....	